



COUNTY OF PLACER
Community Development/Resource Agency

Michael J. Johnson, AICP
Agency Director

**PLANNING
SERVICES DIVISION**

EJ Ivaldi, Deputy Director

HEARING DATE: July 23, 2015
ITEM NO.: 1
TIME: 10:05 AM

TO: Placer County Planning Commission
FROM: Development Review Committee
DATE: July 2, 2015
SUBJECT: SUNSET AREA PLAN UPDATE - STATUS REPORT

GENERAL/COMMUNITY PLAN AREA: Sunset Industrial Area Plan

COMMUNITY PLAN DESIGNATION: Agriculture 80 acre minimum, Agricultural 20 acre minimum, Public Facility/Agricultural 80 acre minimum, Open Space, Public Facility, Commercial, and Industrial.

ZONING: Farm, combining Building Site Minimum 80 acres (F-B-X-80 acre min.); Farm, combining Building Site Minimum 80 acres, and combining Special Purpose (F-B-X-SP-80 acre min.); Farm, combining Building Site Minimum 160 acres, and combining Development Reserve (F-B-X-DR 160 acre min.); Farm, combining Building Site Minimum 80 acres, and combining Development Reserve (F-B-X-DR-80 acre min.); Farm, combining Building Site Minimum 20 acres, and combining Development Reserve (F-B-X-DR-20 acre min.); Farm, combining Building Site Minimum 20 acres (F-B-X-20 acre min.); Open Space (O); Industrial Park, combining Design Corridor (INP-Dc); Industrial, combining Design Corridor (IN-Dc); Business Park, combining Design Corridor, and combining Flood Hazard (BP-Dc-FH); Business Park, combining Design Corridor (BP-Dc); and General Commercial, combining Use Permit, and combining Design Corridor (C2-UP-Dc).

STAFF PLANNER: Sherri Conway, Senior Planner

LOCATION: The Sunset Industrial Area of unincorporated Placer County; bounded to the north by the City of Lincoln, to the east by Highway 65 and the City of Rocklin, to the south by the City of Roseville, and to the west by South Dowd Road and unincorporated Placer County.

PURPOSE OF THE STATUS REPORT: This status report will include a presentation on the initial findings of the Sunset Industrial Area (SIA) Plan Update. No Planning Commission action is requested at this time.

BACKGROUND:

The Sunset Industrial Area (SIA) is an approximate 8,100-acre area in unincorporated western Placer County (Attachment A). For more than 50 years, Placer County has envisioned the SIA as a key employment-generating center that would serve as an economic engine for South Placer County. In

1997, the Sunset Industrial Area Plan, which, identified lands for industrial, commercial and business park development, was approved by the Board of Supervisors. Since that time, southern Placer County has undergone significant changes resulting from growth and development in the surrounding cities as well as in the unincorporated area. However, the vision for the SIA as the County's employment base has not been achieved. The SIA currently contains a variety of uses including light industrial operations, warehousing operations, and distribution centers. Other notable land uses in the SIA include the Thunder Valley Casino Resort and the Western Placer Waste Management Authority's landfill and Materials Recovery Facility, both located on Athens Avenue. Over the years, other, potentially non-compatible uses have been introduced into the Industrial area including children's recreational facilities, indoor sports facilities, and churches. Most of the development to date has occurred primarily in the eastern portion of the area, adjacent to Highway 65 and along Industrial and Cincinnati Avenues.

The proposed Placer Ranch project is located on \pm 2,213 acres of property in the southwest portion of the SIA, just north of the City of Roseville boundary. The Placer Ranch project, originally proposed in the early 2000s, has begun to reposition itself to take advantage of the now improving economy. A key component of Placer Ranch is a satellite campus of the California State University, Sacramento on approximate 300 acres in the center of the overall project site. The Placer Ranch project consists of 5,376 residential units in a mix of low, medium and high densities. The land use plan also includes seven million square feet of non-residential uses including commercial, office and industrial uses, elementary and middle school sites and parks and open space (Attachment B).

Placer Parkway is an approximate 15-mile long transportation corridor that will connect State Route Highway 65 in Western Placer County to State Route Highway 70/99 in South Sutter County. The proposed alignment for the Placer Parkway project transects the SIA, bringing potential opportunities for commercial development in the area (Attachment C).

In 2014, the Placer County Board of Supervisors directed the initiation of a new Sunset Industrial Area Plan, the overall objective of which is to re-envision and re-brand the area to achieve the County's long-term vision of a primary wage-earner employment base. As a part of this Plan update, a comprehensive economic analysis that will serve to inform resulting land use alternatives has been prepared.

DISCUSSION OF ISSUES:

Work began on the Sunset Area Plan Update in January 2015. Components of the workplan include:

- An Existing Conditions and Constraints Analysis
- A Market Analysis
- An Opportunities and Constraints Report
- An Evaluation of Land Use Alternatives
- A Capital Improvement Plan and Finance Plan
- A Design Vision Plan and Corridor Design Standards

Additionally, County staff has launched a comprehensive public outreach campaign for the Plan update process. Partnering with the County's Public Information Office, staff will solicit input and showcase the project milestones utilizing a number of techniques, including a dedicated County webpage, monthly newsletters, press releases, public workshops, stakeholder meetings, focus groups and periodic study sessions with the Planning Commission and Board of Supervisors.

The sub-consultant team of Economic & Planning Systems is currently completing the Market Analysis component of the work plan, which includes:

- a market conditions analysis;

- an existing business retention analysis;
- an area economic analysis; and
- a SWOT (strengths, weaknesses, opportunities, and threats) analysis.

While the Background Report regarding current economic conditions is not yet completed, the preliminary findings (Attachment D) include the following:

- The Sunset Area occupies a strategic position in a dynamic market area. The Sacramento Region has had a 23 percent increase in population since 2000, compared to the statewide average of just 13 percent. South Placer County's growth rate was more than double the rate of the region.
- The Sunset Area offers a leading opportunity to realize desired economic development outcomes in the South Placer market. The Sunset Area has the potential to support an expanded economic base and better use the large local labor forces, of which, two-thirds commutes outside the area for employment.
- Placer County could target a combination of several viable industry clusters for Sunset Area development, including: Advanced Manufacturing, Agriculture and Food, Clean Energy Technology, Education and Knowledge Creation, Information and Communications Technology, and Life Sciences and Health Services.
- General economic recovery and momentum created by the Placer Parkway, Placer Ranch, and University of Warwick plans are prompting Sunset Area landowners to explore development options. Most of the major land owners in the Sunset Area have held properties for several economic cycles and now anticipate being able to move forward with development.
- The South Placer office market has outperformed the industrial/flex market since 2000. Annual average absorption between 2000 and 2014 has exceeded 330,000 square feet for office space, while only about 132,000 square feet of industrial/flex space was absorbed annual in the period.
- Market forecasts suggest there could be demand for as much as 500 acres of business/industrial park uses through 2035, with the insertion of major "game-changing" projects, bringing total demand up to about 800 acres. The Sunset Area's potential to capture a notable share of this demand and attract a major corporate campus or destination entertainment/retail use could support more than 15,000 additional jobs by 2035.
- The size of the Sunset Area, along with existing and proposed development patterns, suggest planning and marketing efforts for the area would be best served by a district concept. Each zone could have its own set of use, design guidelines and identify that consider location, consistency with surrounding uses, and any major development constraints.
- The long-term competitiveness of the Sunset Area will be impacted by the extent to which Placer County is able to address or mitigate the existing challenges, including the availability of infrastructure and utilities.

NEXT STEPS/TIMELINE

It is anticipated that the full Opportunities and Constraints report will be completed in August 2015, with a study session to be scheduled before the Planning Commission in the fall of 2015. The Opportunities and Constraints report will allow an inclusive understanding of the internal and external factors impacting development potential in the Sunset Area, which is important for informing scenarios of land use demand and the ability of the area to capture anticipated market growth. Based on the findings in the Report, an evaluation of land use alternatives will be presented to the Planning Commission in November 2015. During that time, staff will conduct public a minimum of two public workshops presenting findings.

Following Planning Commission and Board direction in November 2015, the Administrative Draft of the Sunset Area Plan will be prepared. Additional components of the Plan will include the

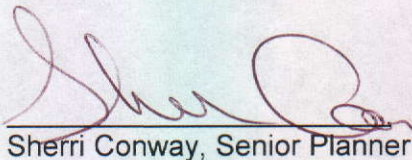
development of Design Plan, the Capital Improvement and Finance Plan, and the Environmental Review process. The following table provides a general overview of the current timeline to adoption of the Sunset Area Plan:

Opportunities and Constraints Report	Summer 2015
Planning Commission/Board Study Sessions	September 2015
Land Use Alternatives Evaluation	October 2015
Planning Commission/Board Study Sessions	November 2015
Corridor Design Standards	January 2016
Capital Improvement and Finance Plan	February 2016
Commence Environmental Analysis	Spring 2016
Draft EIR & Draft Area Plan	Fall 2016
Planning Commission Deliberations on Draft Documents	Fall 2016
Board of Supervisors Deliberations on Final Documents	Early Winter 2016

SUMMARY

No action is necessary, as this status update is intended to generate discussion and feedback from the Planning Commission regarding the Sunset Area Plan Update. County staff asks that the Planning Commission receive the presentation and provide feedback so that staff can continue with the next steps in the process.

Respectfully submitted,

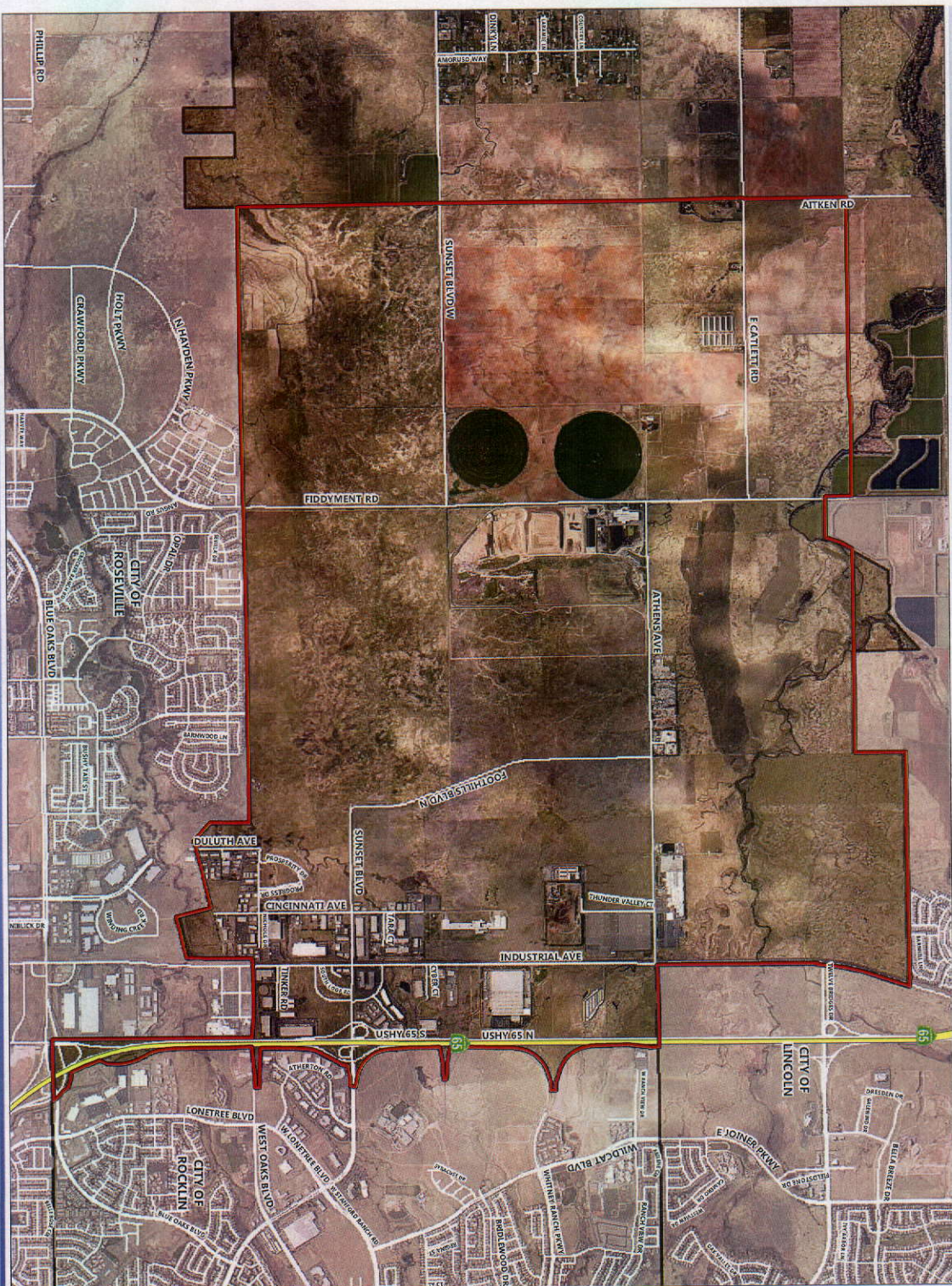


Sherri Conway, Senior Planner

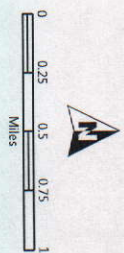
ATTACHMENTS:

- Attachment A – Aerial
- Attachment B – Placer Ranch Map
- Attachment C – Vicinity Map
- Attachment D – EPS Draft Market Findings

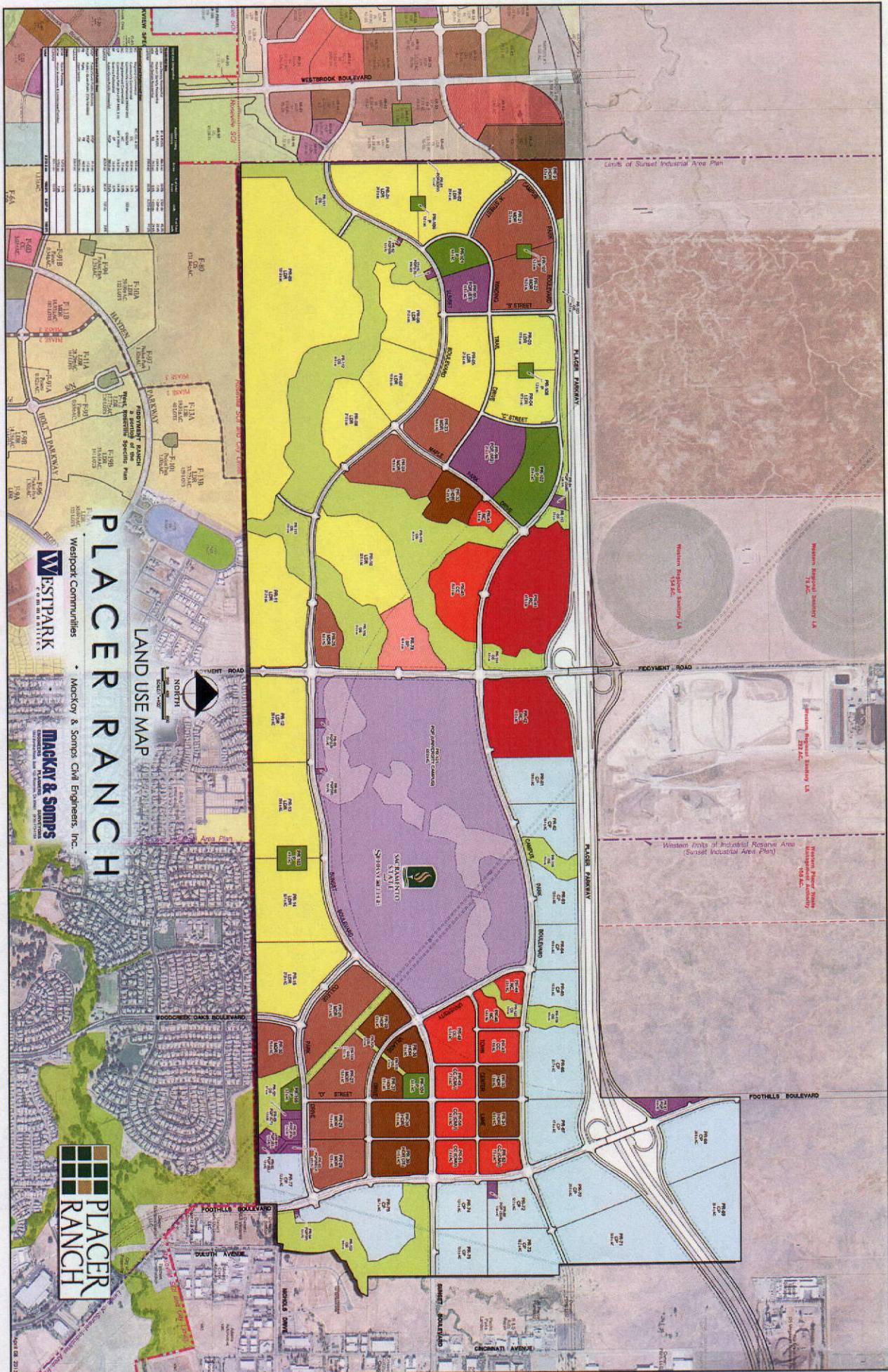
Cc: E.J. Ivaldi – Deputy Planning Director
Michael Johnson – Community Development Resources Agency Director
Karin Schwab – County Counsel
Gerald Cardin – County Counsel
Department of Public Works
Rebecca Taber – Engineering and Surveying Division
Parks – Andy Fisher
Facility Services – Heather Knutson
Environmental Health
Air Quality
Dave Snyder – Economic Development Director
Dede Cordell – Communications and Public Affairs Director
Ken Grehm – Public Works Director
David Zehnder – Economic Planning Systems
Subject/chrono files



- LEGEND**
- Sunset Industrial Area
 - Incorporated Areas



DATA DISCLAIMER:
The features on this map were prepared for geographic purposes only and are not intended to be used for legal purposes. No warranty is made by the City of Rocklin concerning the features depicted on this map should be obtained from recorded documents and local governing agencies.



Land Use Designation	Project Acreage		Residential Units & Gross Density			Employment		Residential Net Density	
	Acres	% of Total Acres	Units	Gross Density	% of Total Units	Square Footage	FAR Factor	* Net Acreage	Density Factor
Residential Uses									
LDH Low Density Residential	486.5 ac	22.0%	2,501 du	5.1 du/ac	45.3%			389.2 ac	20%
MDR Medium Density Residential	1,54.9 ac	7.0%	1,239 du	8.0 du/ac	22.4%			1,239 ac	20%
HDR High Density Residential	79.0 ac	3.6%	1,635 du	20.7 du/ac	29.6%			71.1 ac	10%
Subtotal	720.4 ac	32.5%	5,375 du	11.3 du/ac	97.2%			584.2 ac	13.1 du/ac

Commercial and Employment Uses									
RC Regional Commercial	82.5 ac	3.7%				1,437,480.0 sf	40%		
CC Community Commercial	50.8 ac	2.3%				885,139.2 sf	40%		
CC Community Commercial (Mixed Use)	30.2 ac	1.4%	152 du	20.1 du/ac	2.8%	295,990.2 sf	30%	7.2 ac	5%
NC Neighborhood Commercial	7.7 ac	0.3%				134,164.8 sf	40%		
CP Commerce Park (Mix of BP, R&D, & LI)	31.8 ac	1.4%				4,443,365.3 sf	34%		
BP Business Professional	16.4 ac	0.7%				214,315.2 sf	30%		
P/QP Public/Quasi-Public (University)	300.0 ac	13.6%				3,000,000.0 sf			
Subtotal	805.8 ac	36.4%	152 du	20.1 du/ac	2.8%	10,610,454.7 sf		7.2 ac	21.2 du/ac

Open Space and Public Uses									
P/QP Public/Quasi-Public (Schools)	31.5 ac	1.4%							
P/QP Public/Quasi-Public (City Facilities)	17.2 ac	0.8%							
PR Parks	44.2 ac	2.0%							
OS Open Space	263.1 ac	11.9%							
Subtotal	356.0 ac	16.1%							
Other									
ROW Placer Parkway	157.5 ac	7.1%							
ROW Major Roadways & Landscape Corridors	173.6 ac	7.8%							
Subtotal	331.1 ac	15.0%							

Total	2,213.3 ac	100.0%	5,527 du	7.6 du/ac	100.0%	10,610,454.7 sf		591.4 ac	9.35 du/ac
Land Dedication Total									
	987.1 ac	44.6%							

*Net acreage represents total net under the CMO. Deductions were made for the following: 1) Deductions were made for the following: 2) The Density Factor represents the percentage reduction for planned growth.

Population Generation		
Household Type	Units Factor (pph)	Population
Standard	4,806 du	2.61
Age-Restricted	721 du	1.8
Total	5,527 du	13,841

Commerce Park Development Assumptions				
Use	% of CP	Adj. Ac.	FAR	Sq. Ft.
BP/Office	30%	95.5 ac	30%	1,247,471.3 sf
R&D	30%	95.5 ac	30%	1,247,471.3 sf
LI Industrial	30%	95.5 ac	40%	1,663,995.0 sf
Warehouse	10%	31.8 ac	35%	485,127.7 sf
Total	100%	318.2 ac		4,443,365.3 sf
FAR Weighted Average: 34%				

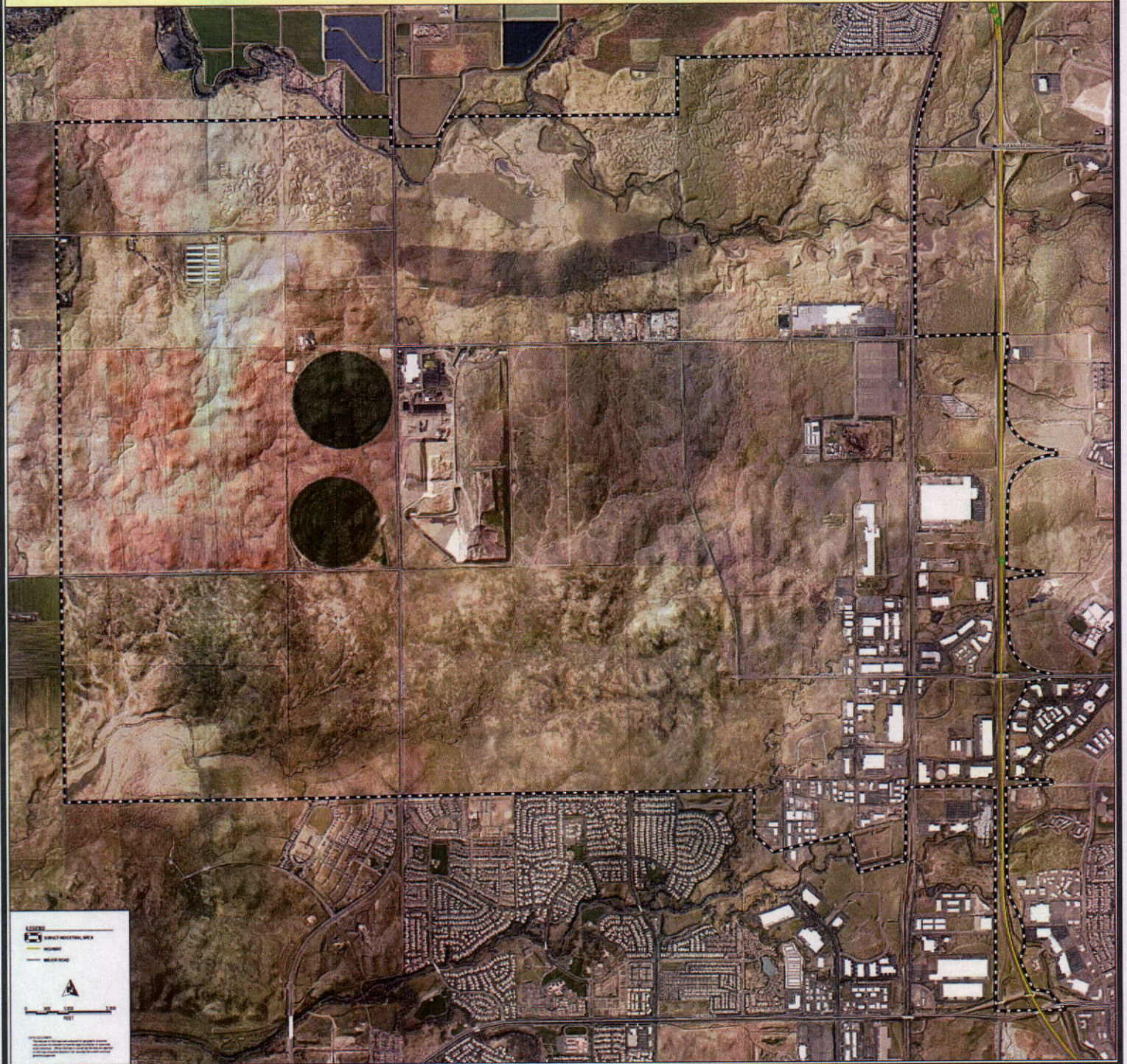
Commercial Mixed Use Development Assumptions				
Use	% of CMU	Adj. Ac.	FAR/Density	Sq. Ft./Units
Commercial*	56%	17.0 ac	30%	221,992.7 sf
BP/Office*	19%	5.7 ac	30%	73,997.6 sf
HDR Residential	25%	7.6 ac	20.0 du/ac	152 du
Total	100%	30.2 ac		295,990.2 sf
*CC=25% & BP=25% of non residential acreage				

Town Center Development Summary				
Use	Acreage	Density	Units	Sq. Ft.
NC	3.9 ac	40%		67,953.6 sf
CC	27.8 ac	40%		484,387.2 sf
CC (CMU)	30.2 ac (see above)		152 du	295,990.2 sf
MDR	60.5 ac	8.0 du/ac	484 du	
HDR	59.4 ac	20.7 du/ac	1,243 du	
Total			1,879 du	848,331.0 sf

Park Requirements				
Park Component	Gen Plan Standard	Acreage Required	Acreage Provided	Credited Acreage
Citywide Park	3 ac./1,000	41.5 acres	0.0 acres	0.0 acres
Neighborhood Park	3 ac./1,000	41.5 acres	44.2 acres	2.7 acres
Open Space (includes OS in University)	3 ac./1,000	41.5 acres	263.1 acres	11.1 acres
Total		124.5 acres	307.3 acres	-27.8 acres

School Requirements				
	IDR/MDR Factor	HDR/CMU Factor	Students Generated	School Capacity Required
Roseville City School District	0.3329	0.1118	1,205	1.51
Grades K-5	0.1164	0.0352	414	0.41
Grades 6-8				
Roseville Joint Union High School District	0.161	0.036	550	0.31
Grades 9-12				

TOPOGRAPHY IN THE SUNSET INDUSTRIAL AREA



SUNSET PLAN AREA: DRAFT MARKET FINDINGS

Readers Note: The following draft summary is preliminary and was written before developing the conclusions of the draft economic analysis because of County scheduling requirements. The conclusions and specific figures cited are subject to change based on EPS's analysis, in progress at the time of writing.

Placer County's 8,200-acre Sunset Industrial Area (SIA) is one of the county's primary industrial nodes, offering major potential for supporting regional economic growth in the future. With momentum created by the economic recovery and proximate planned projects, the SIA has the opportunity to shift to a more active and vibrant employment base. Major initial findings of the economic analysis include those outlined below.

1) The SIA occupies a strategic position in a dynamic market area.

The Sacramento Region has seen its population expand by 23 percent since 2000, compared to the statewide average of just 13 percent. South Placer's growth rate was more than double the rate of the region. Although the market's share of the region's employment base is just 11 percent, change is occurring quickly as the South Placer market captured 65 percent of the absolute job gains in the region over the past decade.

2) The SIA offers a leading opportunity to realize desired economic development outcomes in the South Placer market.

Employment in economic activities that generate net new wealth and drive growth in other segments of the economy, generally referred to as the "economic base," has been declining in the South Placer market, while local-serving activities have seen job gains in the past 10 years. The SIA has the potential to support an expanded economic base and better use the large local labor force, of which, two-thirds commutes outside the area for employment opportunities.

3) Placer County could target a combination of 10 viable industry clusters for SIA development.

Regional economic development priorities captured in the Next Economy initiative include the Advanced Manufacturing, Agriculture & Food, Clean Energy Technology, Education & Knowledge Creation, Information & Communications Technology, and Life Sciences & Health Services clusters. Additional clusters identified by EPS include Advanced Materials, Business & Financial Services, Distribution & Electronic Commerce, and Recreation & Tourism. All 10 of these clusters are well-matched to the South Placer labor force and University of Warwick's research priorities.

4) General economic recovery and momentum created by the Placer Parkway, Placer Ranch, and University of Warwick plans are prompting SIA landowners to explore development options.

Most of the major land owners in the SIA have held properties for several economic cycles and anticipated being able to move development plans forward before the recent recession. The general economic recovery coupled with the market catalysts presented by major planned

projects has led some of these owners to begin to seriously explore options that would allow them to take advantage of the current market expansion phase.

5) The South Placer office market has outperformed the industrial/flex market since 2000.

Annual average absorption between 2000 and 2014 has exceeded 330,000 square feet for office space, while only about 132,000 square feet of industrial/flex space was absorbed annually in this period. Just more than 61,000 square feet of office and industrial/flex space were absorbed in the SIA on an annual average basis over the past 14 years, averaging fewer than 5 acres per year. Regional competition from major existing and planned projects will continue to be strong.

6) Market forecasts suggest there could be demand for as much as 500 acres through 2035, with the insertion of major "game-changing" projects, bringing total demand up to about 800 acres.

Estimates from SACOG suggest that 94 percent of the projected acreage demand for Placer County will be captured in the South Placer market.¹ The SIA's potential to capture a notable share of this demand and attract a major corporate campus or destination entertainment/retail use could support more than 15,000 additional jobs by 2035. While Placer Ranch is proposing 329 acres of commercial park space and may be a viable location for higher end uses, it is expected that the rest of the SIA also will have excellent prospects for a much broader array of business/industrial park uses, with the upper end of demand accounting for one-third of available capacity.

7) The size of the SIA, along with existing and proposed development patterns, suggest planning and marketing efforts for the area would be best served by a district concept.

Breaking the SIA into several self-defined districts likely is the most effective approach for both planning and marketing purposes. Each zone could have its own set of uses, design guidelines, and identity that consider its location in the SIA, consistency with surrounding uses, and any major development constraints.

8) The long-term competitiveness of the SIA will be impacted by the extent to which Placer County is able to address or mitigate the existing challenges in the area.

In addition to effectively planning for potential uses in the SIA, considering major internal constraints and availability of infrastructure and utilities, there are several other factors that Placer County will need to address or mitigate to compete effectively for users. Placer County will need to evaluate its development process and fees, invest in a marketing campaign, and consider incentives to close competitive cost gaps to effectively compete for users and change the growth trajectory of the SIA.

¹ The SACOG MTP projections available to EPS at the time of study show differing shares of regional employment compared to historical sources used in this study. These difference as well as changing dynamics presented in the draft version of the new SACOG projections are under further review.